

Another loyal, paying WellPoint customer who faced this situation was Patricia Relling of Louisville, KY. Ms. Relling was an interior designer and art gallery owner who never missed a payment. But that did not stop WellPoint from canceling her insurance in the middle of her fight with breast cancer. WellPoint abandoned her at her weakest moment, forcing her to pay enormous medical bills on her own. This woman, who was once a highly successful business owner, is now subsisting on Social Security and food stamps.

Meanwhile, WellPoint made a profit of \$128 million by stripping seriously ill Americans of their insurance coverage in this manner, according to the House Energy and Commerce Committee. This is likely a low estimate because WellPoint refuses to provide a total number for rescissions across the company's subsidiaries. WellPoint earned a \$4.7 billion profit in 2009—a \$4.7 billion profit in 1 year. Angela Braly, the CEO of WellPoint, received \$13.1 million in total compensation in 2009. This was a 51-percent increase in her salary over the prior year.

WellPoint is not alone in doing this to people, but they are an egregious offender. According to the House Energy and Commerce Committee:

WellPoint and two of the nation's other largest insurance companies—UnitedHealth Group Inc and Assurant Health, part of Assurant Inc—made at least \$300 million by improperly rescinding more than 19,000 policyholders over one five-year period.

According to Health Care for America Now, these large companies—the big, for-profit American medical insurance companies—have seen their profits jump 428 percent from 2000 to 2007. All during this period, they have doubled premium costs. So they have made huge profits in 7 years, and they doubled premium costs.

Time and time again, our for-profit insurance corporations have demonstrated that their hunger for profit trumps any moral obligation to their customers. This latest story is just the latest example of the kind of outrageous behavior we have come to expect from certain medical health insurance companies.

The health insurance reform law passed by Congress and signed by President Obama will end the practice of unfair rescission and discrimination because of preexisting conditions. But we must clearly be vigilant in order to ensure that the law has teeth and is heavily enforced. We cannot turn our backs for 1 minute because left to their own devices, I truly believe these companies will look for ways to throw paying customers to the sharks for the sake of profit. These are strong words, and I am not known for these strong words. But the more I look into the large, for-profit medical insurance industry of the United States, the more I am embarrassed by it.

A situation unfolding in my own State now is further proof of this. On

May 1—that is 9 days from now; it is 1 week from Saturday—more than 800,000 Californians who hold insurance policies issued by WellPoint's Anthem Blue Cross subsidiary will face rate hikes of up to 39 percent.

I have received deeply personal letters from literally hundreds, if not thousands, of Californians whose lives are going to be devastated by these rate increases. We have 12.7 percent unemployment. We have over 2.3 million people unemployed. We are very high in house foreclosures, people can't find jobs, and at the same time the insurance premiums are being jacked up. This is terrible because many of these people had a premium increase almost as large as the 39 percent that is going to happen on May 1, last year, and then they know they face it again the next year.

I cannot say that all of this is responsible for these premium increases, but in my State alone, 2 million people in the last 2 years have gone off of health insurance. That is 1 million people a year who find they can't afford health insurance. So they have gone off of it, more on Medicaid, and many have no coverage whatsoever. This is at a time when this same company is reaping billions of dollars of profit. So what do I conclude? There is no moral compass. There is no ethical conduct.

These are families with children. They are students or the elderly. One woman had been a client of Anthem for 30 years. She had never been sick, and she got sick. Cancer survivors, small business owners, they are about to be crushed.

WellPoint will tell us that these premium rate hikes cannot be avoided. They will tell us that others are to blame: hospital charges, prescription drug prices, the rising cost of medical care. They blame the government. They blame the economy. But the fact is, they are making money, and billions of dollars of money.

If there was any doubt about whether corporate greed has anything to do with WellPoint's plan to jack up rates on customers, I think today's story by Reuters answers the question definitively.

In order to prevent these kinds of unfair premium rate hikes on Americans, I have introduced a bill that would establish a health insurance rate authority. It would give the Secretary of Health the mandate to see that rates are reasonable. Two days ago, the HELP Committee held a hearing on this bill. The chairman of the committee, Senator HARKIN, made some very strong statements in favor of it, as did other Democrats. The Republicans who spoke, of course, opposed it because they are in a mode where they oppose virtually everything right now, but they opposed it.

So here is what my bill would do. It would give the Secretary of Health the authority to block premiums or other rate increases that are unreasonable. In many States, insurance commis-

sioners, as the Presiding Officer knows, already have this authority. They would not be affected. Commissioners have the authority in some States—in some insurance markets they have it—and in others they do not. In about 20 States, including my own, California, companies are not required to receive approval for rate increases before they take effect. So my legislation would create a Federal fallback, a fail-safe, allowing the Secretary to conduct reviews of potentially unreasonable rates in States where the insurance commissioner does not already have the authority or the capability to do so. The Secretary would review potentially unreasonable premium increases and take corrective action. This could include blocking an increase or providing rebates to consumers.

Under this proposal, the Secretary would work with the National Association of Insurance Commissioners to implement this rate review process and identify States that have the authority and capability to review rates now. States doing this work obviously should continue. This legislation would not interrupt or effect them. However, consumers in States such as California and Illinois and others—about 20 some-odd States—would get protection from unfair rate hikes.

The proposal would create a rate authority, a seven-member advisory board to assist the Secretary. A wide range of interests would be represented: consumers, the insurance industry, medical practitioners, and other experts.

I think the proposal strikes the right balance. As the Presiding Officer knows, we have worked with the administration in drafting it. We worked with the Finance Committee. We worked with the Secretary of Health. We tried to get it into the Finance Committee's health reform bill. We were not able to do so. The President took this bill and put it in the reconciliation bill. Unfortunately, the Parliamentarian found that its policy implications overcame its budgetary savings, and therefore a point of order would rest against it. So it was dropped at that time. So we are trying again. It is necessary.

Nine days from now, 800,000 Californians will get up to a 39-percent increase in their premium rate. It is greed, pure and simple.

So the legislation I have introduced provides Federal protection for consumers who are currently at the mercy of these large, for-profit medical insurance companies whose top priority is their bottom line. The bottom line for us is we have a duty to protect the American people from this kind of greed and this kind of lack of any moral compass.

If these companies were having a hard time, I would say: Look, it can't be helped. But they are not. They have enjoyed something no other American business has, and that is an antitrust exemption. Only Major League Baseball has an antitrust exemption. So